

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3262
ANSWERED ON:12.05.2006
INVESTMENTS IN DABHOL POWER CORPORATION
Barman Shri Hiten

Will the Minister of POWER be pleased to state:

(a) the details of investments made by Indian Financial Institutions (IFIs)/Public Sector Banks in the Dabhol Power Corporation (DPC) both in equity of the company and as loan and year-wise disbursal of the same; and

(b) the steps taken/proposed to be taken to recover and secure the investments made by IFIs/Banks in the project?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) : The details of investments made (disbursement of loans) by the IFIs and Public Sector Banks in DPC are as under:

(Amt. in Rs. Lakh)
Phase I Phase II

Equity Nil Nil

Loans/Debentures 28609 137598

Payments to Export Credit Agencies 103639 249426

on account of Guarantees
issued

Total 132248 387024

The disbursements in respect of Phase I were made during the period March 1997 to October 2005 and the disbursements in respect of Phase II were made during the period September 1999 to November 2005.

(b) : Ratnagiri Gas and Power Pvt. Ltd. (RGPPL), the Project Special Purpose Vehicle, set up by NTPC Ltd. (NTPC) and GAIL (India) Ltd. (GAIL) has acquired the secured assets of DPC as per the terms envisaged under the 'consent terms' dated September 22, 2005 approved by the Hon'ble Bombay High Court. Physical possession of the assets of DPC were handed over to RGPPL by the Court Receiver, Bombay High Court on October 5-6, 2005. On taking over the assets of the company, RGPPL has paid the acquisition price of Rs.8485 crore (based on the valuation of assets) to the lenders of DPC as per the 'consent terms' towards settlement of the core principal outstanding against DPC. While the acquisition price covered the major portion of the loans (principal) extended to DPC, the IFIs/Banks filed a recovery suit before Debt Recovery Tribunal (DRT) for recovery from the company (DPC) of the unpaid amounts (interest etc). The DRT has issued a recovery certificate on November 28, 2005.